

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

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April 22, 1961

Senate Passes Wage-Hour Bill; Canning Exemptions Retained

The Administration's wage-hour bill, H.R. 3935, was passed by the Senate, with amendments, on April 20 by a vote of 65 to 28.

Like the bill passed by the House on March 24, the Senate-passed bill would not affect the existing 28-week exemption from overtime which is presently available to fruit and vegetable canners in sections 7(b)(3) and 7(c) of the present law.

It would increase the minimum hourly wage for employees now covered by the Fair Labor Standards Act to \$1.15 four months after the bill's enactment and to \$1.25 28 months after its enactment.

No change would be made by the bill in the "area of production" exemption now available to certain canners under section 13(a)(10) of the Act.

The Senate-approved bill, however, would require the Secretary of Labor to study the "complicated system of exemptions now available for the handling and processing of agricultural products under such Act and particularly sections 7(c), 13(a)(10), and 7(b)(3) . . ." and to submit a report to the Congress next January, together with his "recommendations for further legislation designed to simplify and remove the inequities in the application of such exemptions."

The wage-hour bill passed by the House on March 24 would not affect the two 14-week overtime exemptions now available to fruit and vegetable canners or the year-round overtime exemption enjoyed by fish canners. Neither would it amend the present "area of production" exemptions. It would increase the hourly minimum wage for presently covered employees to \$1.15 four months after enactment of the bill but would not provide for further increases. The House-approved bill, like the one passed by the Senate, would require the Secretary of Labor to study the agricultural exemptions and report his findings and recommendations to the Congress in January, 1962.

President's Farm Bill Would Authorize Marketing Orders on Canning Crops

An omnibus farm bill, the "Agricultural Act of 1961," was sent to the Congress by President Kennedy on April 17. On the following day, the 79-page bill was introduced by Senator Ellender (S. 1643) and by Representative Cooley (H.R. 6400), the chairmen of the Senate and House Agriculture Committees.

The Administration bill would authorize the application of marketing orders and marketing quotas to all agricultural commodities, including canning crops. It would also provide for supply adjustment and price stabilization.

Public hearings on the bill will begin April 24 before the House Agriculture Committee. Secretary of Agriculture Freeman is scheduled to testify during the first two days. He will be followed by spokesmen for the major farm organizations. Hearings before the Senate Agriculture Committee will start on May 3.

The N.C.A. has requested an opportunity to testify before both the Senate and House Agriculture Committees, in order to explain its opposition to marketing orders, or any other form of federal production or marketing controls on fruits and vegetables for canning.

Following is a summary of the bill:

FARMER ADVISORY COMMITTEES

Subtitle A of Title I of the proposed legislation provides for the appointment by the Secretary of Agriculture, from nominees selected by county producer committees and farm organizations, of Farmer Advisory Committees representing a single commodity or a group of commodities, with whom the Secretary would consult and advise with respect to policies and programs concerning that commodity. The Committee members would be selected by geographical areas, and with the exception of one consumer representative, would be restricted to farmers who derived at least 60 percent of their gross income from farming.

EXTENSION OF MARKETING ORDERS

Subtitle B of Title I would amend the Agricultural Marketing Agreement Act of 1937 to authorize the application of marketing orders to all agricultural commodities, but would

Meeting Schedule for Spring Board Sessions

Following is the schedule of the various meetings called for the spring session of the N.C.A. Board of Directors.

THURSDAY, MAY 18

- 9:30 a.m.—Administrative Council, Conference Room, N.C.A. Headquarters
- 9:30 a.m.—Meeting of State Secretaries, Library, N.C.A. Headquarters
- 12:30 p.m.—Joint Luncheon of N.C.A. Board of Directors, Administrative Council and guests, Federal Room, Hotel Statler
- 2:30 p.m.—Open Session of N.C.A. Board of Directors, Federal Room, Hotel Statler; President John C. Hemingway, presiding
- 5:00 p.m.—Reception at Residence of Mr. and Mrs. Campbell, 1607 S. Arlington Ridge Road, Arlington, Va.

FRIDAY, MAY 19

- 8:00 a.m.—Breakfast Meeting of Consumer and Trade Relations Committee, Ohio Room, Hotel Statler
- 9:30 a.m.—Closed Executive Session, N.C.A. Board of Directors, Congressional Room, Hotel Statler
- 12:30 p.m.—Luncheon Meeting of Convention Program Committee, Federal Room, Marriott Motor Hotel, Key Bridge
- 2:00 p.m.—Meeting of Tomato Canners, Conference Room, N.C.A. Headquarters

limit coverage of "products" of such commodities to those products covered by present law. The effect of this amendment would be to authorize marketing order controls which would be directly applicable to canning crops but *not* to the finished canned product. In practical effect, the impact of the proposed marketing order controls on canning would be as rigid on all canning crops as those in the present Act which apply now to only a few canning crops.

The marketing order controls contained in the present Act would thus be authorized for all canning crops. These include:

- (1) Limitations on the quantity, quality, grade and size of the raw product that individual canners could purchase from each grower, based upon the amount sold by growers in prior years or upon the current quantities available for sale by growers.
- (2) Allocation of the available raw product among canning, freezing, drying, fresh market, and other outlets.
- (3) Control and disposition of surpluses of the raw product, or of any grade, size or quality thereof.
- (4) Inspection of the raw product.
- (5) Prohibition of "unfair methods of competition and unfair trade practices" in the handling of the raw product.
- (6) Provisions fixing the size, capacity, weight, dimensions, or pack of containers used in the packaging, transportation, sale, shipment or handling of the raw product.

The present Act would be amended to authorize expanded marketing research and development projects, which could specifically include advertising and promotion of the raw product to be financed from funds collected from canners and other handlers.

GROWER ALLOTMENTS

The Act would also be amended to authorize provisions in marketing orders allotting the amount of a commodity, or any grade, size or quality thereof, which each grower may be permitted to market or dispose of in any or all markets during any specified periods, based on the amount produced or marketed by the grower in past years, or on the current quantities of the commodity available for marketing by each grower. These grower allotments might be in terms of quantity or acreage, and might be accompanied by allotments of the quantity of the commodity that each canner or other handler could purchase from each grower.

This provision authorizing grower allotments would be a distinct departure from the present regulatory scheme of the Agricultural Marketing Agreement Act, in that it would authorize for the first time provisions in marketing orders *directly* regulating growers of all canning crops, as well as all other crops. All other marketing order controls read directly on handlers—which would include canners if the Act were amended as proposed—and are enforced by penalties and sanctions that can be imposed only upon handlers, not upon growers.

CONGRESSIONAL APPROVAL REQUIRED

Under the present Act, a marketing order may be issued by the Secretary of Agriculture only after a hearing, and only if the order is approved by at least two-thirds of the growers of the commodity within the region that would be subject to regulation by the order, or by producers of at least two-thirds of the volume of the commodity. The Secretary may issue an order thus approved by growers even though handlers of the commodity who would be regulated by the order do not approve.

The President's bill would retain this hearing and issuance procedure for most regional marketing orders. But it would amend the Act to provide that if a proposed order is to be applicable to all major production or marketing areas, or if the order—regional or national—would authorize grower allotments, then the order could be issued only after (1) consultation with an appropriate farmers advisory committee, (2) approval of the President, and (3) the opportunity for Congressional veto. No such order could be issued if either house of Congress has within a 60-day waiting period adopted a resolution stating that it does not favor the order in question.

The bill would also authorize national marketing orders without the requirement that a hearing be held, if the other procedural steps outlined above are observed.

MARKETING QUOTAS

Subtitle C of Title I of the proposed bill would enact entirely new statutory provisions authorizing the establishment of marketing quotas for virtually all agricultural commodities, including fruits and vegetables for canning, hogs, cattle, lamb, chickens and turkeys. Under this new authority, the Secretary of Agriculture could, after consultation with and advice from the appropriate national farmers advisory committee, and after approval by the President, proclaim a national

marketing quota for a particular commodity, which would be announced not less than 120 days prior to the beginning of the planting season.

The national marketing quota would then be apportioned by the Secretary among the states in which the commodity is grown, on the basis of total marketings in prior years. The quota for each state would then be apportioned among the farms in the state. These quotas could be in terms of total production or marketing, or in terms of acreage allotments.

Marketing quotas would, like marketing orders, be subject to Congressional disapproval by either house within 60 days, and a referendum in which two-thirds of the growers of the commodity must approve of the proposed quotas.

PRICE STABILIZATION

Subtitle D of Title I of the bill would authorize price supports not in excess of 90 percent of parity to be established by the Secretary of Agriculture for any agricultural commodity. Price supports could be effected through commodity loans, commodity purchases, compensatory payments, diversion payments, incentive payments, and other appropriate operations. Compensatory payments would be authorized for a commodity only if a marketing order or marketing quotas were in effect for that commodity. If the growers of a commodity disapprove of a proposed marketing order or marketing quotas, that commodity may not be supported at a level in excess of 50 percent of parity.

Price support programs could be established only after consultation with and advice from the appropriate national farmer advisory committee, approval of the President, and failure of Congress to disapprove within 60 days.

FARMER COOPERATIVES

Title IV of the bill would reaffirm "the national policy of aiding and encouraging the organization, operation, and sound growth of farmer cooperatives." It would be specifically provided that two or more cooperative associations of growers may act jointly in a federation or through common agencies. In addition, cooperative associations would be permitted to acquire the assets or stock of any other cooperative association or other corporation engaged in the same or a related line of commerce, unless the effect of such acquisitions may be substantially to lessen competition or to tend to create a monopoly.

OTHER PROVISIONS

Title II of the proposed bill would extend and expand the Agricultural Trade Development and Assistance Act (Public Law 480), and Title III would consolidate and expand existing agricultural credit programs.

N.C.A. Conferences on Sanitation and Processing

Two conferences on sanitation and processing have been scheduled for Maine during May. At each of these N.C.A. Laboratory personnel will lead discussions of industry practices to ensure good control of product quality.

The first meeting will be held May 8 at Burnham and Morrill's plant on Water Street in Portland, under joint sponsorship of the Maine Canners and Freezers Association and the N.C.A. Research Laboratory. Persons from Maine and nearby areas interested in attending this session should contact John W. Gault, executive secretary, Maine Canners and Freezers Association, P. O. Box 798, Portland, Maine.

The second conference is to be held May 10 at the Bangor Room of the Memorial Union Bldg., University of Maine, Orono, under sponsorship of the Maine Sardine Packers Association, the Maine Sardine Industry, and the N.C.A. Persons interested in attending this conference should contact Joseph F. Puncocchar, research director, Maine Sardine Industry Laboratory, 114 Exchange St., Bangor, or Dr. Matthew E. Highlands, University of Maine, Orono.

Both meetings will begin at 8:30 a.m. and be completed at about 3:30 p.m. The material will be presented by C. W. Bohrer and J. W. Bell of the N.C.A. Washington Laboratory

Mexican Farm Labor Program

The House Agriculture Committee on April 18 approved the bill, H.R. 2010, extending the Mexican farm labor program. As ordered reported the bill would extend P.L. 78 two years—through December 31, 1963.

U. S. Wholesale Grocers Assn.

Royce C. Wood of Groce-Wearden Co., Victoria, Texas, has been reelected president of the U. S. Wholesale Grocers Association. Van Salley, Salley Grocer Co., Bernice, La., was reelected chairman of the board.

Descriptive Labeling Promotes Wise Canned Foods Buying

The canning industry's descriptive labeling program was described by George E. Steele, Jr., Assistant to the Executive Vice President of N.C.A., in addressing the 48th annual conference of the Indiana Association of Inspectors of Weights and Measures in Richmond, Ind., April 17.

In his desire to serve the consumer, Mr. Steele asserted, the canner furnishes information on the label of the can or jar that is far in excess of what is required by law.

In addition to describing the optional information that canners add to labels, Mr. Steele told how labels protect consumers. He stressed the fact that a can of food may be offered for sale only if the food is pure and wholesome and the container made of safe material. The consumer may read the label with that assurance and go on from there, he stated.

As an example of good descriptive labeling Mr. Steele showed a label for a simple product, canned beets. The law requires that a label for such a product list the product name, the name and address of the packer, and the net contents of the container. Also, he said, N.C.A. recommends that canners make use of descriptive labeling to give consumers as much more help as possible.

Mr. Steele pointed out that most labels go well beyond the legal requirements and include a good product picture, a brand name to facilitate identification, and facts about product size, color, seasonings, number of servings and cups, and often a recipe panel with serving suggestions.

For more complicated products, he continued, labels also present information about product variety, style, or packing medium—the fact that corn is whole kernel or cream style, for example—and an ingredient list, unless a standard of identity for the product has been established.

As for label information about flavor, Mr. Steele had this to say: "As there is no unanimity about flavor, the canning industry feels that it is unwise and misleading to establish or indicate what may be presumed to be general preferences. Most canners agree that it is more useful to state physical characteristics of products which can be objectively and scientifically measured and let each purchaser make her own selection. By the use of descriptive labeling, canners try to tell the consumer exactly what she is getting when she buys a can or jar of food. Knowing the size

of her family, the use she intends to make of the food, her budget and her family's tastes, she can be sure of buying exactly what she wants when she uses label information as her guide."

A press release reporting these highlights of Mr. Steele's remarks was distributed by the N.C.A. Information Division to 254 newspapers and 84 radio-TV stations in Indiana and to the national and local wire services and the trade papers.

N.C.A. at Wastes Conference

N.C.A. was represented at a special meeting of the National Technical Task Committee for Industrial Wastes held April 11-12 at the Robert A. Taft Sanitary Engineering Center in Cincinnati. The special meeting was a joint effort of the NTTCIW and the Center to focus attention on research dealing with water and wastes of particular interest to industry.

The NTTCIW includes representatives from 35 water-using industries. Walter A. Mercer of the N.C.A. Berkeley Laboratory represented the canning industry. J. W. Bell of the N.C.A. Washington Laboratory also is a member of the Committee.

Research matters discussed by staff members of the Sanitary Engineering Center included progress in the characterization of wastes, persistence of organic compounds in biological systems, techniques in recovery, concentration, and analysis of organic contaminants, effects of wastes on aquatic life, oxidation pond studies, conservation and re-use of water, and the number of other current research activities.

Dr. Mahoney Speaks

Dr. C. H. Mahoney, Director of the N.C.A. Raw Products Research Bureau, spoke recently at an agricultural seminar in the College of Agriculture at North Carolina State College on the "Agricultural research and educational requirements necessary for the procurement of raw products for processing." The audience was made up of both research and educational personnel in horticulture, agricultural economics, entomology, plant pathology, and agronomy.

A similar presentation was also given at an agricultural seminar at Clemson University in South Carolina.

William H. Sherman

William H. Sherman, 47, secretary of the New York State Canners and Freezers Association, Inc., died in Rochester, N. Y., April 14, of leukemia, after a short illness.

He had been secretary of the New York State association since 1947. Under his direction the bulletin service was expanded, and he managed the unique committee setup whereby nearly every member of the association participates in the yearly program. Also, during his administration the association's membership was broadened to include freezers in addition to canners, and he furnished the additional services and management.

Bill Sherman grew up on a farm, graduated from Cornell University in 1936, and for eight years was a teacher of vocational agriculture. He served as labor consultant to the New York State association for several years before his appointment as secretary.

Mr. Sherman served in recent years on the Governor's Council on Farm and Food Processing Labor, and was active also in industry and trade promotions as well as in alumni work.

Meat Canned in March

under Federal Inspection
(Agricultural Marketing Service of USDA)

	3 Lbs. Under & over 3 Lbs.	Total
(thousands of pounds)		
Luncheon meat.....	10,293	15,612
Canned ham.....	27,707	239
Beef hash.....	708	5,507
Chili con carne.....	738	9,981
Vienna sausage.....	195	6,416
Frankfurters and wieners in brine.....	25	1,000
Deviled ham.....		952
Other potted and deviled meat products.....		4,034
Tamales.....	172	2,790
Sliced, dried beef.....	13	263
Chopped beef.....	40	909
Meat stew.....	219	11,866
Spaghetti meat products	321	8,337
Tongus (not pickled)...	62	85
Vinegar pickled products	953	1,788
Sausage.....	13	606
Hamburger.....	602	17,548
Soups.....	1,892	64,351
Sausage in oil.....	433	590
Tripe.....		454
Brains.....		214
Loins and picnics.....	1,449	50
All other products 20% or more meat.....	638	8,839
All other products less than 20% meat (ex- cept soup).....		811
Total.....	47,283	180,532

Columns do not add to totals shown in all cases since rounded figures are used. Amounts packed for defense are not included in these items. Total production, including quantities for defense agencies, was 230,203,000 pounds.

U. S. Standards for Grades of Canned Apricots and Peaches

Notice is given in the *Federal Register* of April 20 that the Agricultural Marketing Service of USDA proposes to amend the U. S. standards for grades of canned apricots, canned clingstone peaches, and canned freestone peaches.

Proposals provide for (1) revised recommended drained weights for canned apricots and clingstone peaches; (2) recommended drained weights for canned freestone peaches; and (3) a fill-weight procedure for all three of these products for ascertaining the fill-in weight of fruit prior to sealing the cans and processing.

Under the proposed amendments the drained weights for certain can sizes and styles in canned apricots would be decreased slightly, while those for canned clingstone peaches would be increased slightly.

Criteria for compliance with drained weights for canned apricots and canned clingstone peaches would also be changed slightly. The proposal would provide a minimum drained weight that individual containers should meet, as well as an average for all the containers in the sample.

Amendments to the canned freestone peach standards propose recommended drained weights which are not provided for in the current grade standards. Criteria for compliance with drained weights would be the same as proposed for canned apricots and clingstone peaches.

The fill-weights proposed would be ascertained in accordance with the USDA "Variables Control Chart Plan" and its adaptations to processed fruits and vegetables and related products.

The fill-weight procedure would assist packers in better control of the filling process, minimizing overfilled and underfilled containers. Maintaining a more even fill of fruit would aid in better control of the syrup filled into the cans. This procedure would also aid packers in complying with the recommended drained weights.

Grade designations and requirements for the various quality factors would remain the same as in the current standards.

Interested persons have 45 days in which to file comments or arguments regarding the proposals. These should be addressed to the Chief, Processed Products Standardization and Inspection Branch Fruit and Vegetable Division, Agricultural Marketing Service, USDA, Washington 25, D. C.

Increase in Older Population

About one in 11 persons in the United States is 65 years of age or older. According to advance data from the 1960 Census of Population, there were 16,559,580 persons 65 years of age and over in the national total of 179,323,175 persons of all ages.

The 1960 figure for the older population represents an increase of 4,264,882 or 34.7 percent over the 1950 count of 12,294,698 persons 65 years of age and older.

In two states, Florida and Arizona, the increase in the older population during the decade exceeded 100 percent. The largest numerical increases occurred in California, New York, and Florida.

FDA Regulations on Food Additives Extensions

The Commissioner of Food and Drugs has published regulations outlining the procedures to be followed by parties who wish to request under Public Law 87-19 (see INFORMATION LETTERS of Feb. 18 and April 15) further extensions of the effective date of the food additives amendment and of the applicability of the Food, Drug, and Cosmetic Act to residues of nematocides, plant regulators, defoliants, and desiccants on raw agricultural commodities. These regulations, which were contained in the *Federal Register* of April 15, are reprinted in full on page 155, at right.

The regulations provide that all extensions of the effective date of the food additives amendment—and of the applicability of the Act to residues of nematocides, plant regulators, defoliants, and desiccants,—are automatically continued in effect until July 1, 1961. It is further provided that legal action will not be instituted under the Act before July 1, 1961, with respect to substances for which an extension request was pending before the Commissioner prior to March 6, 1961.

This blanket extension to July 1, 1961, is provided to enable the submittal of the necessary information and its evaluation by FDA regarding substances for which further extensions are believed warranted. Requests for further extensions beyond July 1 will be immediately entertained by the FDA if the information described in the regulations is submitted by an interested person.

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 120—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

FURTHER EXTENSION OF EFFECTIVE DATE OF STATUTE FOR RESIDUES OF CERTAIN NEMATOCIDES, PLANT REGULATORS, DEFOLIANTS, AND DESICCANTS

Public Law 87-19, 75 Stat. 42, enacted April 7, 1961, authorizes the Commissioner of Food and Drugs to further extend the effective date of the enforcement provisions of the Federal Food, Drug, and Cosmetic Act applicable to residues of nematocides, plant regulators, defoliants, and desiccants on raw agricultural commodities, when facts are presented to support this action. To administer this provision of the statute, the Commissioner announces the following policy:

§ 120.36 Further extension of effective date of statute for residues of certain nematocides, plant regulators, defoliants, and desiccants.

(a) All extensions of the effective date of Public Law 86-139 (73 Stat. 286, 288; 21 U.S.C., note under 342) listed in § 120.35 are hereby continued in effect to July 1, 1961, unless prior to that time regulations shall have been issued covering the subject matter of the extension or a regulation or further extension shall have been denied.

(b) Legal action will not be instituted against raw agricultural commodities under section 408 of the act before July 1, 1961, involving residues of any of these pesticide chemicals for which an extension request was pending before the Commissioner prior to March 6, 1961, unless the Commissioner denies the request prior to July 1, 1961.

(c) The Commissioner will immediately entertain requests for extensions beyond July 1, 1961, where the following data are submitted:

(1) The specific name (not trade name) or chemical designation of the substance involved, the specific use or uses for which an extension is desired, and the amount and purpose of the substance involved in each such usage.

(2) A statement detailing actions taken and dates thereof to determine the applicability of the amendment to such use or uses or to develop the scientific data necessary for action, together with the results of such actions to date.

(3) A statement outlining additional work in progress, detailing its nature, when started, by whom it is being conducted, and the results to date.

(4) A statement of the amount of time for which further extension is needed. (Include only the time

expected to be needed to determine whether a tolerance or exemption from tolerance is needed or to submit a petition for an appropriate tolerance to the Food and Drug Administration. Do not include any estimated time for processing a petition by the Food and Drug Administration. While the statute includes a cut-off date of June 30, 1964, it is expected that only in a limited number of cases will the effective date be extended that long.)

(d) Requests for extension may be submitted by any interested person who has the necessary facts, whether or not he obtained or requested the extension previously.

(e) Any extensions granted beyond January 1, 1962, will be conditioned upon a requirement that the Commissioner be supplied with progress reports at 6-month intervals. Failure to submit such progress reports will be grounds for termination of any extension granted.

(f) If any of the information described in this section is included in petitions for pesticide tolerances already submitted to the Commissioner, this information may be incorporated by reference.

(g) Decisions on requests for further extensions, including the amount of time for which such extension is granted, will be published in the *Federal Register*. All requests for extensions should be addressed to the Commissioner of Food and Drugs, Food and Drug Administration, Washington 25, D. C.

(Public Law 87-19, 75 Stat. 42)

Dated: April 11, 1961.

[SEAL] GEO. P. LARRICK,
Commissioner of Food and Drugs.

PART 121—FOOD ADDITIVES

Subpart A—Definitions and Procedural and Interpretative Regulations

EXTENSION OF EFFECTIVE DATE OF STATUTE FOR CERTAIN SPECIFIED FOOD ADDITIVES

Public Law 87-19, 75 Stat. 42, enacted April 7, 1961, authorizes the Commissioner of Food and Drugs to further extend the effective date of the enforcement provisions of the food additives amendment to the Federal Food, Drug, and Cosmetic Act when facts are presented to support this action. To administer this provision of the statute, the Commissioner announces the following policy:

§ 121.84 Further extension of effective date of statute for certain specified food additives.

(a) All extensions of the effective date of the food additives amendment listed in §§ 121.86, 121.87, and 121.88 are hereby continued in effect to July 1, 1961, unless prior to that time regulations shall have been issued covering the subject matter of the extension or a regulation or further extension shall have been denied.

(b) Legal action will not be instituted under the food additives amendment before July 1, 1961, involving the use of any food additive for which an extension request was pending before the Commissioner prior to March 6, 1961, unless the Commissioner denies the request prior to July 1, 1961.

(c) The Commissioner will immediately entertain requests for extensions beyond July 1, 1961, where the following data are submitted:

(1) The specific name (not trade name) or chemical designation of the substance involved, the specific use or uses for which an extension is desired, and the amount and purpose of the substance involved in each such usage.

(2) A statement detailing actions taken and dates thereof to determine the applicability of the food additives amendment to such use or uses or to develop the scientific data necessary for action, together with the results of such actions to date.

(3) A statement outlining additional work in progress, detailing its nature, when started, by whom it is being conducted, and the results to date.

(4) A statement of the amount of time for which further extension is needed. (Include only the time expected to be needed to determine that the substance is not a food additive or to submit a petition for an appropriate regulation to the Food and Drug Administration. Do not include any estimated time for processing a petition by the Food and Drug Administration. While the statute includes a cut-off date of June 30, 1964, it is expected that only in a limited number of cases will the effective date be extended that long.)

(d) Requests for extension may be submitted by any interested person who has the necessary facts, whether or not he obtained or requested the extension previously.

(e) Any extension granted beyond January 1, 1962, will be conditioned upon a requirement that the Commissioner be supplied with progress reports at 6-month intervals. Failure to submit such progress reports will be grounds for termination of any extension granted.

(f) If any of the information described in this section is included in petitions for food additive regulations already submitted to the Commissioner, this information may be incorporated by reference.

(g) Decisions on requests for further extensions, including the amount of time for which each extension is granted, will be published in the *Federal Register*. All requests for extensions should be addressed to the Commissioner of Food and Drugs, Food and Drug Administration, Washington 25, D.C.

(Public Law 87-19; 75 Stat. 42)

Dated: April 11, 1961.

[SEAL] GEO. P. LARRICK,
Commissioner of Food and Drugs.

USDA Plans for Operation Of Pilot Food Stamp Program

USDA has announced over-all provisions of the food stamp program which is to be tried on a pilot basis in eight areas of chronic unemployment.

The pilot program was ordered into being by President Kennedy in his first Executive Order. As authority for the program USDA will utilize Section 32 (of the Act of Aug. 24, 1935, P.L. 320) which provides an annual appropriation for the general purpose of expanding domestic and export markets for U. S. agricultural commodities.

Basic features of the program were described by USDA as follows:

"1. The pilot food stamp projects will utilize commercial channels of trade to increase food consumption among participating families. The families will receive stamp coupons, having a monetary value, which will be good for the purchase of most foods regularly available at cooperating retail stores.

"2. Only a single-purpose stamp coupon will be employed. It will be issued in denominations of 25 cents and \$1.00 and will be good for the purchase of any food item included in the program.

"3. Most foods in a typical retail store will be included in the stamp program. However, it will be necessary to exclude those food commodities for which producer prices are expected to average above 90 percent of parity as determined periodically. (In mid-March the following items were selling at over 90 percent of parity: veal, fresh limes, oranges, apples and strawberries, soybeans and certain fresh winter vegetables.) The exclusive list is expected to be less extensive during the summer and fall months when fresh fruits and vegetables are seasonally plentiful. Certain other items will be excluded, for example, fishery products, tobacco, alcoholic beverages, and foods supplied wholly from foreign sources, such as coffee, tea, and cocoa.

[In response to questioning from N.C.A., USDA has advised that canned and other processed foods will be included in the program.]

"4. State or local welfare agencies which administer the federal-state public assistance programs will certify families as eligible for the stamp program. Standards used in such certifications will be approved by the Department and will be related to standards used in the state's own public assistance programs. Thus, the program will conform to local conditions and local needs.

"5. The total value of stamp coupons to be issued to eligible families will be geared to assisting them to

purchase a more adequate diet. The actual value of the stamps to be issued to any one family will depend upon such factors as family size, regional differences in consumption patterns and prices, and adjustments to account for the fact that all foods will not be included in the program. Families will be required to purchase the food stamp coupons in amounts about equal to their current expenditures for the eligible foods. Additional stamps will be provided, at no cost, in such amounts as is determined necessary to enable families to obtain a more nutritious diet by purchasing additional eligible foods. This arrangement is deemed necessary in order to insure that the federal subsidy will be used for increased purchases.

"For example, a family of a certain size, which has been able to afford only \$50 a month for food, may need to spend \$75 to obtain a more adequate diet. Under the stamp program, the family would exchange its \$50 for \$75 worth of stamp coupons, thereby putting it in a position to buy more food at the retail store. Families having no income will receive free stamps.

"6. Food retailers wishing to participate in the program will be required to conform to Department regulations outlining their responsibilities under the program. The stamp coupons accepted by retailers will be redeemed at face value. Banks will redeem the stamps for retailers and, in turn, obtain their payment from the Federal Reserve Bank. National wholesale and retail food organizations and food distributors in the pilot areas have already expressed interest in this new

approach and have pledged full cooperation.

"7. Educational and promotional efforts will be undertaken in cooperation with welfare agencies and the food trades, to help participants take advantage of foods in plentiful supply, and otherwise spend their food stamps wisely for maximum nutrition.

"8. Studies will be carried out in the pilot areas to evaluate and appraise the effects of the program on food expenditures and nutritional levels of participants, on retail food sales, and on farm income and prices.

"9. When the food stamp project begins to operate in a pilot area, the present direct distribution of federally-owned surplus foods to needy families will be suspended. Eligible schools and institutions in these areas, however, will continue to receive the surplus foods."

USDA hopes to have the pilot projects in operation by early June in the eight areas designated for the test: Franklin County in Illinois, Floyd County in Kentucky, The City of Detroit, the Virginia-Hibbing-Nashua complex in northern Minnesota, Silver Bow County in Montana, San Miguel County in New Mexico, Fayette County in Pennsylvania, and McDowell County in West Virginia.

It is estimated that when all eight pilot projects are in operation, the cost is expected to range between \$3 and \$4 million a month, USDA stated.

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